

104TH CONGRESS
1ST SESSION

H. CON. RES. 48

Concerning the economy of India and relations between the United States
and India.

IN THE HOUSE OF REPRESENTATIVES

MARCH 24, 1995

Mr. MANTON (for himself and Mr. KNOLLENBERG) submitted the following
concurrent resolution; which was referred to the Committee on Inter-
national Relations

CONCURRENT RESOLUTION

Concerning the economy of India and relations between the
United States and India.

Whereas the economic implications of India's transition from
colonial rule to independence forced it to adopt a mixed
economy with industry and infrastructure predominantly
entrusted to the public sector;

Whereas such a macroeconomic structure provides little in-
centive for research and development;

Whereas such an economy fosters import restrictions, cur-
rency exchange controls, impediments to foreign invest-
ment, and restrictions on foreign trade;

Whereas India, a nation of approximately 900,000,000 peo-
ple, is one of the great emerging economies of this
decade;

Whereas the Government of India has recognized the limitations of such an economy and the necessity for the free market system to prevail;

Whereas these reforms have resulted in policies encouraging private investment, the dismantling of import and trade licenses, the establishment of a convertible currency, and customs tariff reductions;

Whereas steps have been taken to achieve capital market reform, including steps to achieve greater transparency of transactions, and the establishment of a Securities Exchange Board of India (SEBI);

Whereas India seeks to develop its infrastructure through private foreign investment; and

Whereas India has encouraged such investment by relaxing its regulatory law and encouraging private foreign investment in the following sectors—power, petroleum, telecommunications, transportation, tourism, mining, electronics, food processing, civil aviation, automobiles and automotive parts, and financial services: Now, therefore, be it

- 1 *Resolved by the House of Representatives (the Senate*
- 2 *concurring)*, That it is the sense of the Congress that—
- 3 (1) the Government of India should be com-
- 4 mended for its transition from a highly regulated
- 5 planned economy to a free market oriented economy
- 6 with political stability by implementing a bold policy
- 7 of economic reforms;

1 (2) the United States should facilitate this
2 transition by encouraging United States companies
3 to invest in India; and

4 (3) the United States Government should con-
5 tinue to foster the improved climate of relations be-
6 tween India, the world's largest democracy, and the
7 United States, the world's oldest current democracy,
8 since Prime Minister Rao's historic address before
9 the joint session of Congress.

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